GUTTING EQUITABLE LIFE • THE YABBA-DABBA-DOO CEO • FAXPOLL: THE AGE TRAP

Business

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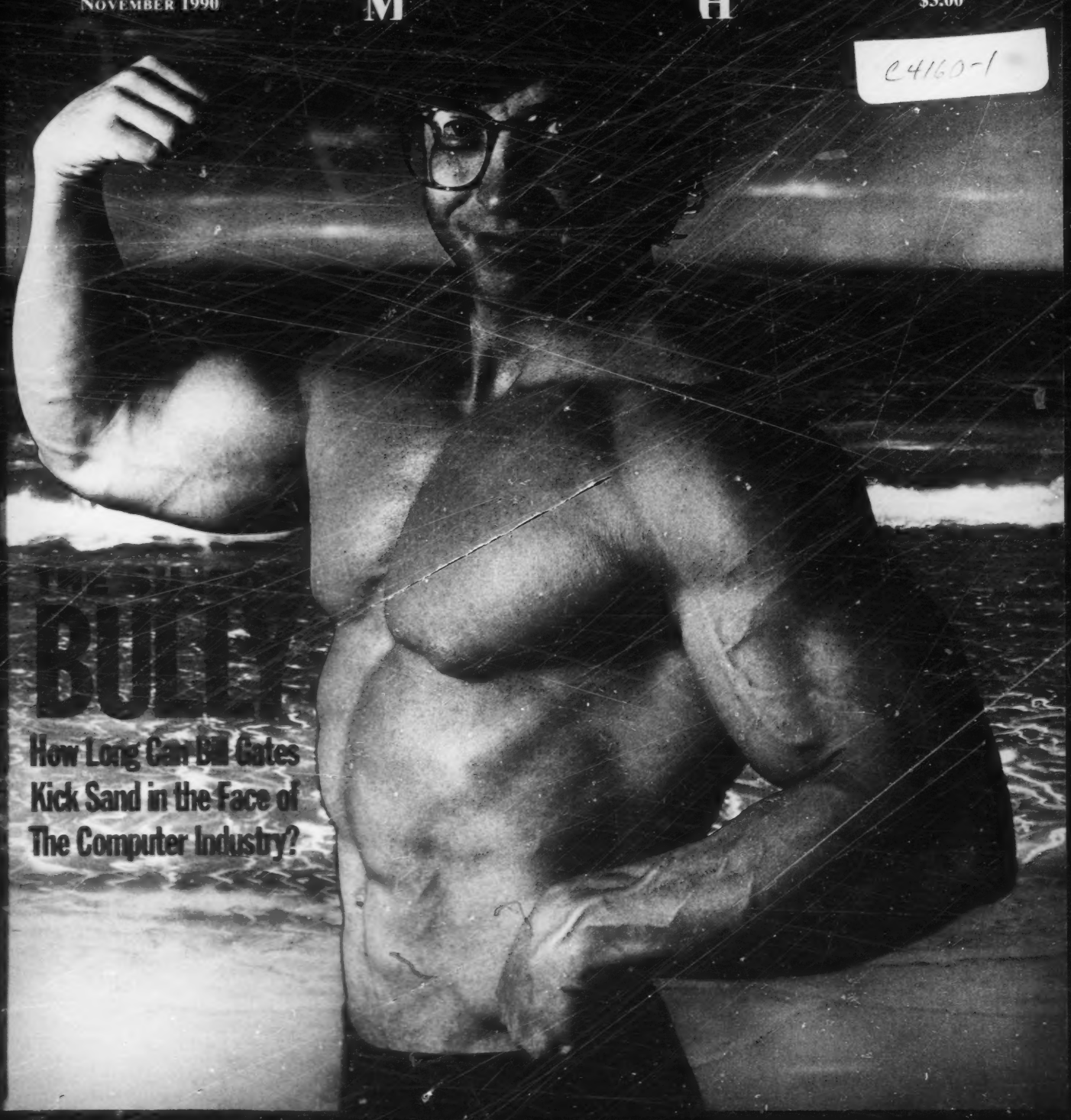

BULL?

How Long Can Bill Gates Kick Sand in the Face of The Computer Industry?

Business MONTH

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Cover Photoillustration:
Michael Llewellyn
(Gates head shot: Matthew McVay/SABA)

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Microsoft's Bill Gates is a tedious technocrat and, some say, a ruthless parasite who took over the PC uprising by default—capitalizing on his competitors' incompetence. Can we trust this man to carry on the computer revolution? *By James S. Henry*

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See No Evil, Hear No Evil

American industry faces a competitive threat that requires a post-Sputniklike response. So what did George Bush do? He called in Dan Quayle. *By Morton Kondracke*

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Dick Jenrette likes to restore dilapidated 19th-century buildings—and companies. At Equitable Life, his first step was a $150 million demolition. *By Joe Kolman*

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ercing consumers to pay more for something than it's worth), however, in this country, that seems to be unusual and almost always illegal.

JACOB STEIN
Monsey, New York

A SCIENTIFIC DISPUTE

I WAS SHOCKED BY YOUR ARTICLE ON 3M ("Sweetening the Lure of the Lab," August). While I cannot speak to the accuracy of the remainder of the article, the paragraph dealing with me contains deliberate, defamatory lies. The most egregious is: "He has been known to stare at a tree on 3M's well-manicured grounds for hours before suddenly rushing back to his lab." This is demeaning not only to me but to all professional scientists. If true, it could be used to undermine the credibility of my testimony or recommendations. But it is wholly false, utterly without basis; in 35 years I have never spent 35 seconds dallying on our "campus," let alone staring at trees or the like, there or elsewhere.

Such a personally directed statement should have been checked in advance with the victim.

GEORGE TIERS
Corporate scientist, 3M
St. Paul, Minnesota

Editor's note: Our story was based on information provided by what we considered reliable sources. In no way did we intend to embarrass George Tiers or anyone else at 3M.

HAVE WE BEEN RAILROADED?

IT IS INCREDIBLE THESE DAYS TO READ AN entire article (America & Co., August) detailing our transportation and infrastructure woes without once mentioning the word *rail*!

Everyone recognizes that our roads are in disrepair and badly in need of help. The same for our overcrowded and overworked air-traffic network. But more money thrown at more highways, when we are trying to encourage carpools, when Iraqis send tremors throughout the world's oil markets? More money for larger airports, when tens of millions of people each year waste their time flying ridiculous short hauls between Washington, New York, and Boston?

Our love affairs with planes and cars must cease. High-speed trains run throughout countries with populations greater than BosNYWash. Our high-powered oil and airline lobbies have pulled the wool over the eyes of the American traveler (read: businessman) and in effect force us to wait either on I-95, in the airport lounge, or in a subpar Amtrak car.

ARTHUR NEGRIN
Norfolk, Virginia

FAULTY DIAGNOSES

YOUR AUGUST FAXPOLL RESULTS ("Rx for Disaster") overlook some very important ingredients that contribute mightily to the health-care-cost "disaster." Chief among them is our individual attitude that, when the need for health care arises, inevitably expresses itself as, "I don't care what it costs; I want the best." While this may be a natural response (at least in our society), it certainly contributes nothing to holding down health-care costs.

The media might also accept some of the responsibility for contributing so little to the public's knowledge of the abusive malpractice "industry" that is driving some medical specialties out of business.

ALBERT M. JACKSON
Los Altos, California

IN YOUR FAXPOLL RESULTS, YOU NOTED that "7 percent of you accuse the uninsured indigent—many of whom receive no medical attention at all," for the spiraling cost of health care. As a member of the board of trustees of a nonprofit hospital, I don't think you understand. These people do get care. Federal law demands it. But they do not pay for their care. That cost is shifted to those who have insurance. This cost shift contributes to the spiral.

LEE HOUSTON
General Manager
Ridgeway Clocks
Ridgeway, Virginia

Address letters to Letters Editor, BUSINESS MONTH, *488 Madison Avenue, New York, NY 10022. Or fax 1-800-766-7655. All letters must include the writer's name, address, and daytime telephone number.*

Errata: Two credits were omitted in our October issue—Peter Cohen/Custom Medical Stock (page 32) and Tattoo application by Pat Sinatra of Pat's Tats (page 48).

Loyal,

Blind allegiance? Nearsighted, maybe, and very self-interested to boot. Looking out for number one is a major sport at the largest corporations, but still a bush-league game at smaller outfits. "Mutual trust," one of you wrote, "is inversely proportional to the size of the company."

FaxPoll
EXTRA

TROUBLE LOOMS for big companies pinning their hopes on quality improvement: Their employees are much more likely to call such programs a total waste of time or of small benefit. "Management doesn't support the effort," one of you gripes. It's no coincidence that the same crowd believes overwhelmingly that trust is eroding. By contrast, smaller companies offer a hopeful model of quality efforts—less cynicism, more loyalty, greater willingness to work toward common goals. The final tally on quality programs: Two-thirds of you have them, but of those, only 45% rate them a success.

Up to a Point

Employees owe you a fair day's work (89%) and cooperation as company team players (71%). "Loyalty works both ways," one reader observes. "If I'm expendable, I owe the company nothing more than a fair day's work." But a surprising 15% of our respondents write that employees owe their best efforts to the company. Blind allegiance (6%) "has gone the way of dinosaurs," claims a subscriber. If so, people at small companies are stuck in the Mesozoic Era: They're three times as likely to swear an oath of total fealty as employees at the largest corporations.

84%
say trust between employees and the company is eroding

You'd side with the boss, declare 67% of you, even if he crossed company policy. Why? It's important to stand up for your convictions and, on occasion, to change company rules. Many of you speak of a bond with your boss that transcends work ("Remember Fawn Hall!"); but even more of you consider such loyalty to be a practical matter ("Your boss is the company. Go over him and you're *dead*"). That same pragmatism plays a big role for the 33% who side with the company: "I don't believe in going down with the ship's captain."

FaxPoll™

WHO CAN YOU TRUST?

- The bond of trust between employees and the company is eroding.
- What does every employee owe his or her company?
- What does every company owe its employees?
- Your boss makes a decision with which you agree but that conflicts with corporate policy. You're forced to take a stand. You side with:
- Your company's ads make an inaccurate claim against a competitor's product. You would:
- You've just had a lucrative offer from a rival company. You would:

79%
Would Complain to the Boss

12%
Would Do Nothing

6%
Would Blow the Whistle

Fair pay and benefits, say 92%, are what companies owe employees, followed by decent working conditions (81%), feedback (79%), and opportunity for advancement (70%). Intriguingly, only 42% of you cite job security, a weary acknowledgment that lifetime employment, like cheap gas, is a thing of the past. "While the company can't guarantee job security, it does owe employees responsible management to avoid large-scale layoffs," chides one reader.

You'd wait for a counteroffer from your boss, say 64% of you, if a rival tried to lure you away. You're much more likely to sit down with the boss if you work for a small company than for a large one; employees have a greater sense of loyalty in a tiny outfit and a clearer idea of their worth to the company. A quarter of you would flat out quit your job; only 10% would reject the offer and stay.

October Preview: Stop the Press

Whoa! We really took it on the chin when we asked you to rate the media on business stories: A tremendous number of you complain of sensationalism and biased reporting. How much of that grudge comes from personal experience? We'll have the full story for you next month. Meanwhile, are the young out to get you? Turn to page 108.

Vietnamese had no air power, the Soviets had given them antiaircraft guns that made the C-123s not much better than the proverbial sitting ducks.

Ironically, however, it was an American plane that would down Morgan. In the early hours of December 13, during ground fire, a B-57 veered suddenly to the left, clipped Morgan's plane, and sent it into a long, slow spin before it pancaked on the ground. The only passenger to be rescued by U.S. helicopters was the pilot, who had lost consciousness before hitting the ground. His last memory was of several white parachutes drifting slowly through the moonlight.

Jeff was on Christmas vacation when the call from his father came. Immediately, they hired Laotians employed by the U.S. government to begin a search. Accompanied by a guide, the searchers moved from village to village carrying pictures of Morgan, a handsome young man in a uniform, with earnest eyes and a worried, tentative smile. In Tchepone, several peasants pointed to Morgan's picture and nodded. They told the guide that they had turned a man who looked like him over to the communist rebel group Pathet Lao—villagers received money for every capture—and that he had a broken leg at the time.

Convinced that Morgan was alive, Jeff returned home and waited. Life went on for him. He finished a Ph.D. in business at 25, the age at which many are just finishing college, and landed a position as an international economist with a commercial-credit company. He married and divorced. On the job, he prospered.

As the Vietnam quagmire deepened, the families of POWs began to worry—especially the families of the 569 missing in Laos. When the war officially ended, Hanoi released 591 prisoners of war, but not a single one emerged from Laos. Two years after the end of the Vietnam War, Jeff was fed up with waiting for the government to do something. That's when he organized what he somewhat sheepishly refers to as his "Rambo mission."

In 1975, Jeff was an assistant vice president at Chemical Bank in the Foreign Exchange Advisory. While his colleagues spent their vacations playing golf, he spent his arranging a guerrilla rescue mission to Laos. With the aid of a senior Royal Lao officer, Jeff was ready to storm the camp where he believed his brother was being held. But Cambodia fell as they were setting off, leaving Jeff to wonder whether he himself would ever get out of Laos. "I used my few remaining American dollars," he remembers, "to hire a canoe and cross the Mekong River."

Had Jeff made it to the camp, he might have found his brother. Not long after his aborted rescue attempt, the Pathet Lao released Rosemary Conway, a captive who had worked for the U.S. Agency for International Development. She told the world that she had been held along with several other Americans—one of whom was Morgan Donahue.

Since then, Jeff has focused his mind on the stream of refugees escaping from poverty-stricken Laos, where the life expectancy is 42. Many who get out tell somber stories of gaunt Caucasians living under constant guard in Laos's countryside. Jeff has developed a network of Laotian sources who say Morgan lives in a rural province, is married, has two children, and works with water buffalo.

It is possible Morgan prefers to live in Laos and does not want to come home. Jeff acknowledges this. "I've thought about that," he says, "but I need to see him and hear him say it." He has traveled to Laos several times since 1973, though his movements are greatly restricted. At home, he organizes and speaks on behalf of many MIA/POW consciousness-raising groups, and he's become one of the most visible spokesmen for the issue. In 1984 ABC's *20/20* devoted an hour-long special to MIAs, using extensive footage of Jeff in Laos. He's spent $300,000 on various schemes for getting to his brother. But thus far reward offers, humanitarian aid, and endless publicity on the issue haven't produced his brother, though they've brought Jeff some peace of mind.

The federal government, unfortunately, hasn't been much comfort at all. Since 1978, the Pentagon has considered all MIAs "presumed dead," even though a 1986 Pentagon panel concluded that "a large volume of evidence points to the likelihood that Americans are being held" in Southeast Asia. The panel's report, to Jeff's dismay, is classified, along with thousands of other documents pertaining to the MIA issue. The government's lack of cooperation has embittered him greatly. At rallies, he often wears a T-shirt that reads: "I Love My Country, But I Hate My Government." Even if Congress votes to declassify those documents—as it soon may—it's unlikely his attitude toward Washington will ever change.

In 1987, Jeff requested—and received—a job in Union Carbide's Hong Kong office, which is relatively close to Laos. The company, he says, 'has been very supportive of my efforts.'

Except, that is, for the one place where it could—the Vietnam War Memorial, where Morgan Donahue's name appears along with some 60,000 others. Unlike most of the names, however, Morgan's has a tiny cross etched in the black marble next to it. The cross means "Missing in Action." For Jeff it has made all the difference in the world. "The day I look forward to the most," he says, "is the one when I chisel his name and that cross off of the wall. What a day that will be." ■

Rebecca Johnson is a staff writer at Allure *magazine.*

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